

The Car Tax “Vehicle Use” Examples and High Mileage Credit/Deduction Instructions

Vehicle Year, Make & Model	Vehicle Use Declaration	Vehicle Owner	% of Use	Car Tax Relief Status	Explanation of “Vehicle Use” Status
2000 Ford Explorer	personal	resident	100%	<u>qualifies</u> for car tax relief	personal use vehicle, resident deducted less than 50% of the total mileage as a business expense, <u>most residents will be in this category because there is no “business use” of their vehicle</u>
2000 Dodge Ram Truck	personal	leasing company	over 50%	<u>qualifies</u> for car tax relief	personal use vehicle, less than 50% was depreciated for business purposes, the resident pays the property tax via the lease, the truck weighs less than 7500 lbs and trucks qualify for relief
2003 Dodge Caravan	personal	leasing company	over 50%	<u>doesn’t qualify</u> for car tax relief	the leasing company pays the personal property tax without any reimbursement from the resident (<u>in most leases, the taxes are usually paid by the resident, check your lease to verify this</u>)
1999 Chevy Blazer	business	resident	over 50%	<u>doesn’t qualify</u> for car tax relief	business use vehicle, more than 50% of the cost of the vehicle is expensed via a car allowance given to an employee, pursuant to Section 179 of the IRS tax code
2002 Volvo V70	business	leasing company	over 50%	<u>doesn’t qualify</u> for car tax relief	business use vehicle, more than 50% of mileage for the year is deducted as a business expense

Additional Information about the Personal Property Tax Relief Act of 1998 (PPTRA)

- The PPTRA provides tax relief for passenger cars, motorcycles, and pickup or panel trucks having a registered gross weight of 7500 pounds or less. To qualify, a vehicle must: 1. be owned by an individual or leased by an individual under a contract requiring the individual to pay personal property tax, and 2. be used less than 50% for business purposes.
- The PPTRA was amended by the General Assembly in 2002 requiring all vehicles to be designated, in writing by the owner, as either being used predominantly for “personal use” or “business use”. You are required to certify annually that your vehicle remains qualified to receive relief.
- Motor homes, recreational vehicles, trailers, boats and vehicles held in a living trust don’t qualify for relief but they must be listed on your tax return.
- Your personal property tax bill is reduced by the current tax relief percent, 70%, on the first \$20,000 of assessed value. All assessed value over \$20,000 is taxed at 100%. If your vehicle is assessed for \$1,000 or under, your personal property tax has been eliminated; the State’s share is 100%.

If you have any additional questions about car tax relief, please call the Commissioner of the Revenue’s Office at 703-248-5019 or visit the Virginia Department of Motor Vehicles website at <http://www.dmv.state.va.us> and click on “General Information” and then “Personal Property Tax Relief (PPTR).”

Instructions for claiming a high mileage credit/deduction

If you are claiming a high mileage credit, you must submit with your personal property return a copy of your most recent receipt for a state inspection or any mechanical work performed on that vehicle, for example an oil change, muffler replacement, brake repair etc. The National Automobile Dealers Association (NADA) determines the high mileage deduction and appraises all vehicles for Falls Church annually; NADA is a nationally recognized car valuation service. Requests for high mileage deductions must be made every year because the NADA qualifications can change.